NSG

GROUP

NSG Group

FY2012 Quarter 3 Results

(from 1 April 2011 to 31 December 2011)

Nippon Sheet Glass Co., Ltd.
2 February 2012

Craig Naylor

Chief Executive Officer

Mark Lyons

Chief Financial Officer

Iain Smith

Group Financial Controller

NSG GROUP

Agenda

Key Points - April 11 to December 11

- Deteriorating market conditions during third quarter impacting operating results
- FY2012 forecast revised, reflecting globally challenging economic conditions
- Program of actions announced today to improve profitability
- Keiji Yoshikawa (Representative Executive Officer and Executive Vice President of the Company) will assume overall responsibility for managing the program
- The total cash investment in the restructuring will be ¥ 25bn with an expected recurring annual cash benefit of ¥ 20bn

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Business Update

Revision of full-year forecast and actions to improve profitability

Summary

Consolidated Income Statement

NSG GROUP

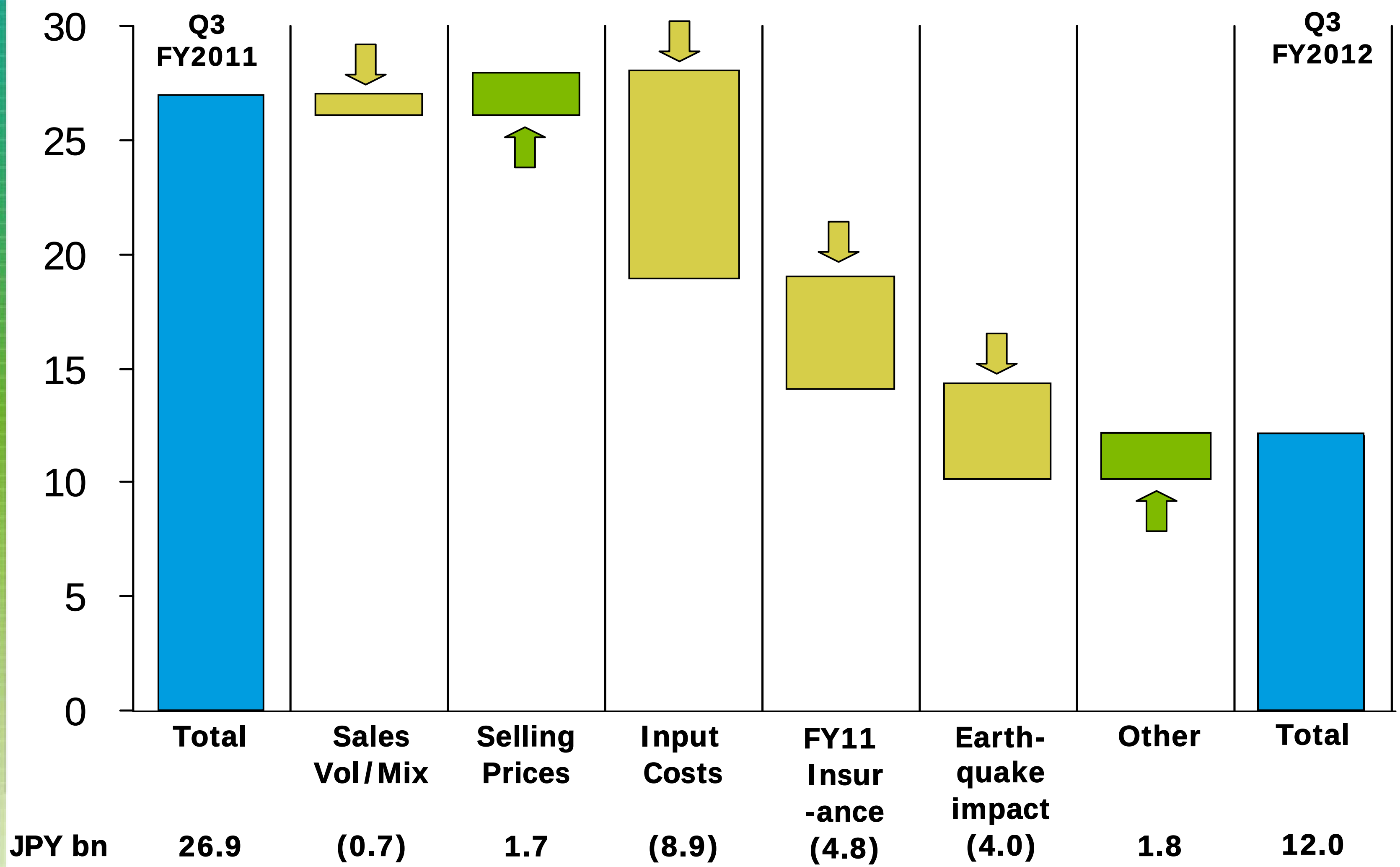
(JPY bn)	Cum Q3 FY12	Cum Q3 FY11	Change from Q3 FY11
Revenue	**420.8**	**435.9**	**-3%****
Operating profit before amortization	**12.0**	**26.9**	
Amortization*	(5.5)	(5.7)	
Operating profit	**6.5**	**21.2**	
Finance expenses (net)	**(10.4)**	**(12.6)**	
Share of JVs and associates	**5.2**	**6.8**	
Profit before taxation	**1.3**	**15.4**	
Profit for the period	**2.2**	**12.5**	
Profit attributable to owners of the parent	**1.3**	**9.1**	
EBITDA	35.6	51.8	-31%

* Amortization arising from the acquisition of Pilkington plc only

** 0% based on constant exchange rates

Deteriorating market conditions in the third quarter

Operating Profit (before amortization)
Change Analysis



Input costs not recovered through selling prices

Consolidated Cash Flow Summary

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	Cum Q3 FY12 (JPY bn)
Income after taxation	**2.2**
Depreciation and amortization	**29.1**
Net change in working capital	**(22.5)**
Tax paid	**(4.6)**
Share of profit from joint ventures and associates	**(5.2)**
Movement in provisions and retirement benefit obligations	**(14.8)**
Others	**1.1**
Net cash used in operating activities	**(14.7)**
Purchase of fixed assets	**(26.0)**
Divdends from joint ventures and associates	**0.5**
Others	**(0.2)**
Net cash used in investing activities	**(25.7)**
Cash flow before financing activites	**(40.4)**

Cash flow reflects investment profile and reduced profitability

Key Performance Indicators

Key Performance Indicators	31-Dec-11	31-Mar-11
Net Debt (JPY bil)	343	313
Net Debt/EBITDA	7.1x	4.9x
Net Debt/Equity Ratio	2.3	1.4
	Q3 FY2012	**Q3 FY2011**
EBITDA Interest Cover	3.4x	4.1x
Operating Return* on Sales	2.8%	6.2%

* Before amortization arising from acquisition of Pilkington plc

Key performance indicators reflect difficult trading conditions

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Agenda

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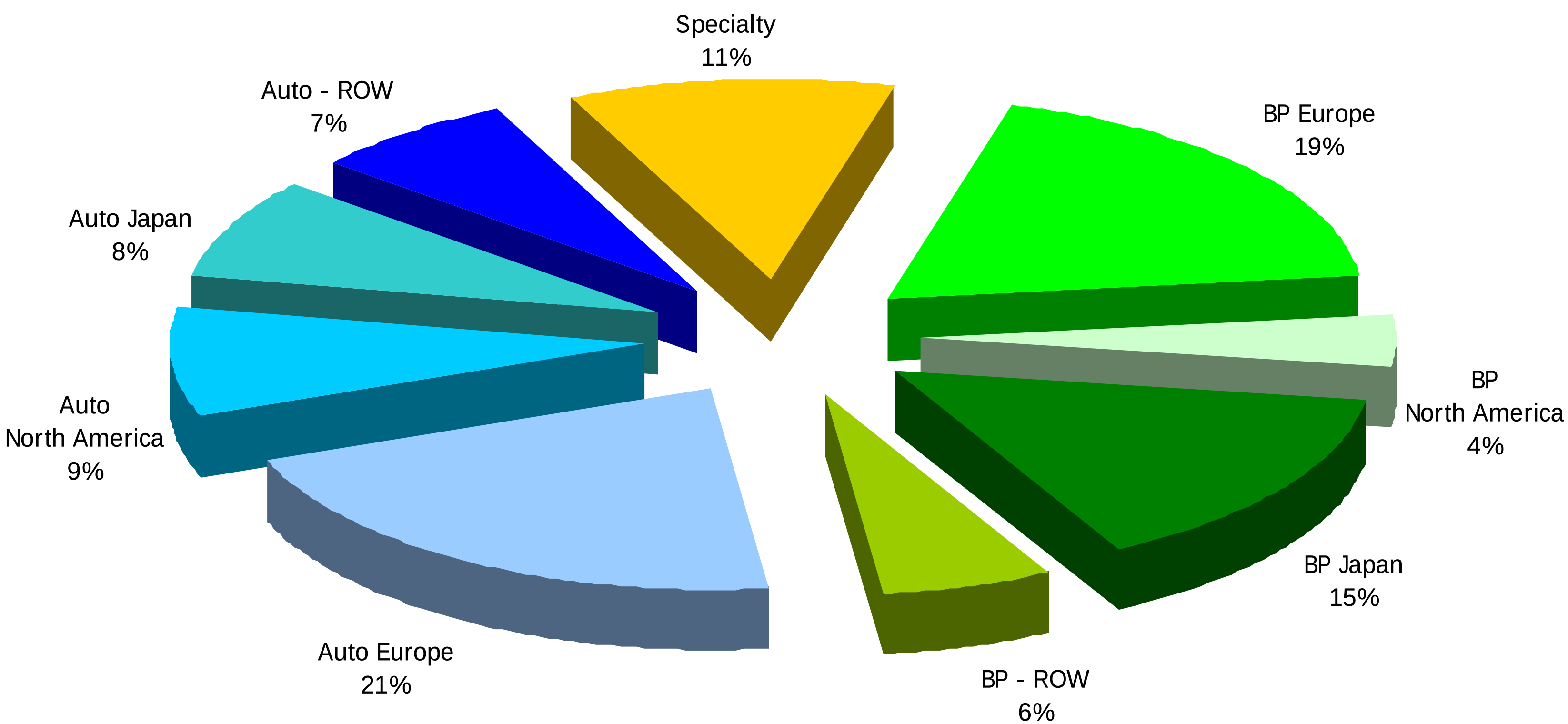
External Revenue – Group Businesses

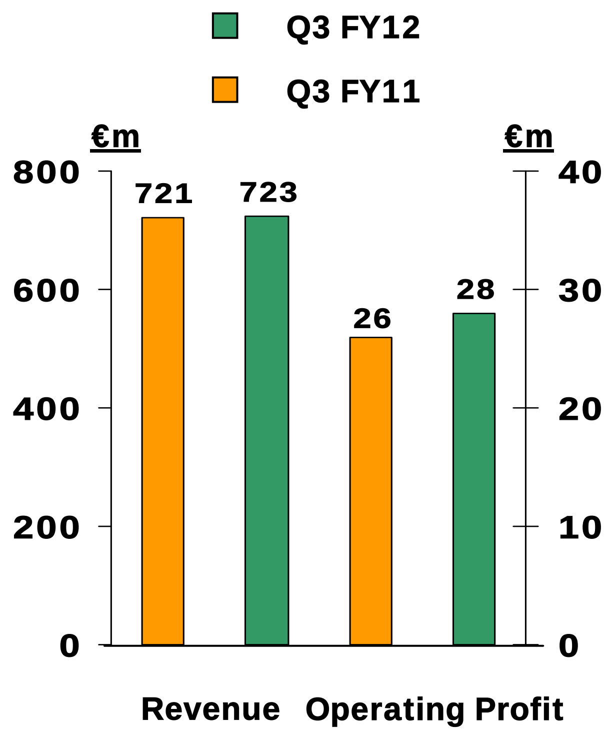
¥ 421 billion



Cumulative Q3 FY2012

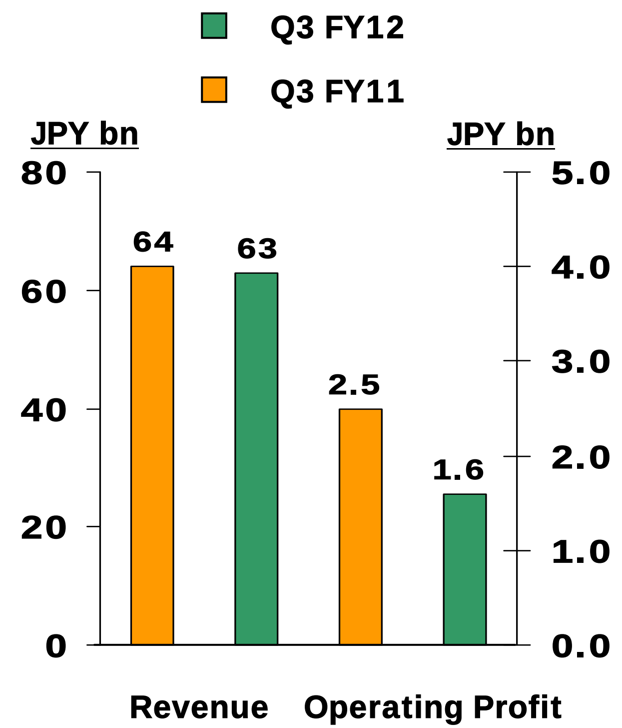
Building Products
Q3 FY12 v Q3 FY11

Europe



- Revenue and profits flat compared to the previous year
- Favorable prices and cost savings partially offset by increased input costs

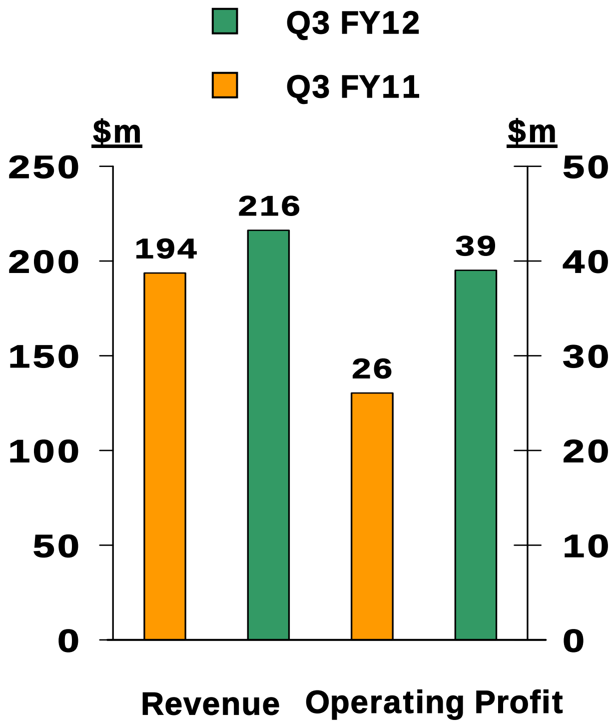
Japan



- Strong downstream revenues and volumes
- Upstream revenues and profits impacted by reduced solar dispatches

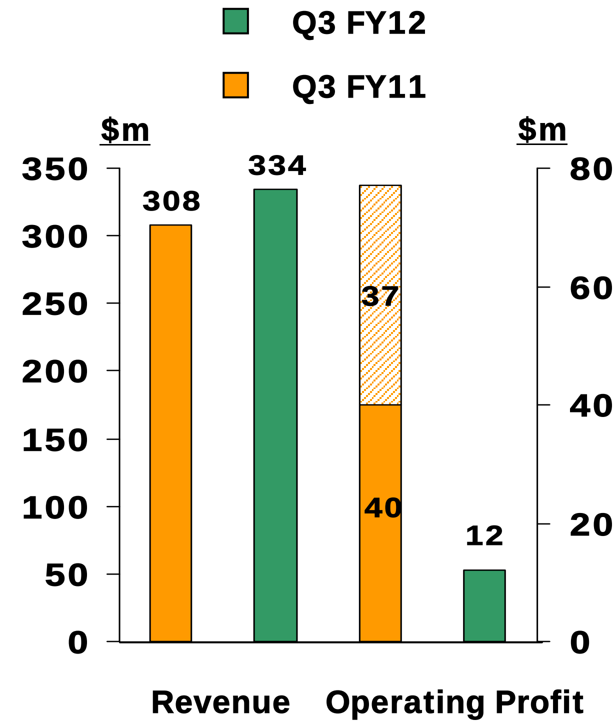
Building Products
Q3 FY12 v Q3 FY11

North America



- Revenue and profits increased on a greater proportion of value added products
- The domestic commodity products market remains weak

Rest of World*

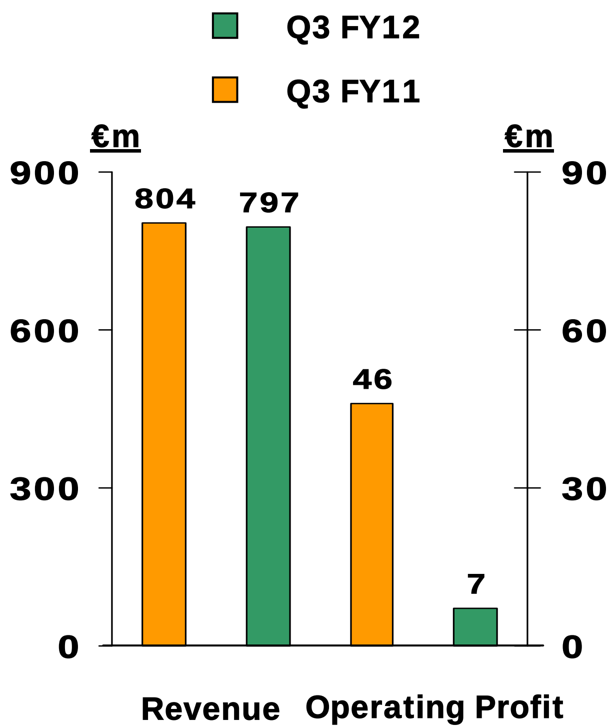


- Revenues in South America were robust, with some volume growth
- Over capacity in China continues to affect results in South East Asia and China
- Impact of Chile insurance claim in FY11 ($37m) shown separately

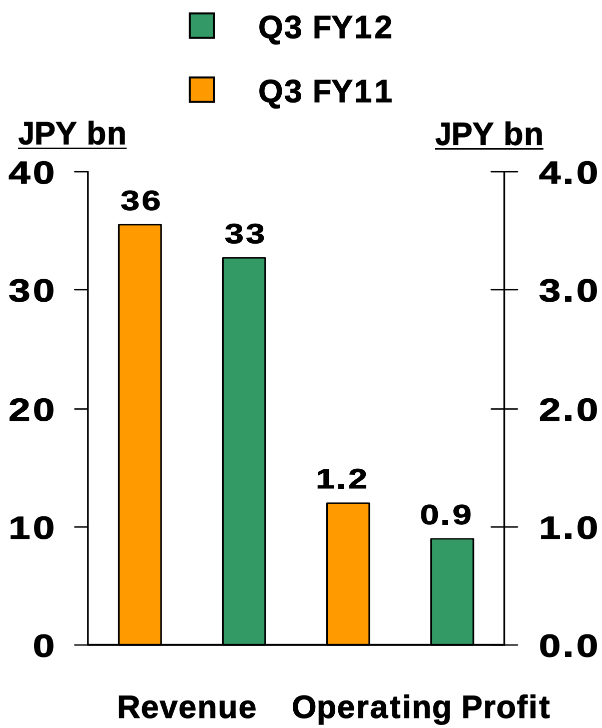
*: Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

Automotive
Q3 FY12 v Q3 FY11

Europe



Japan

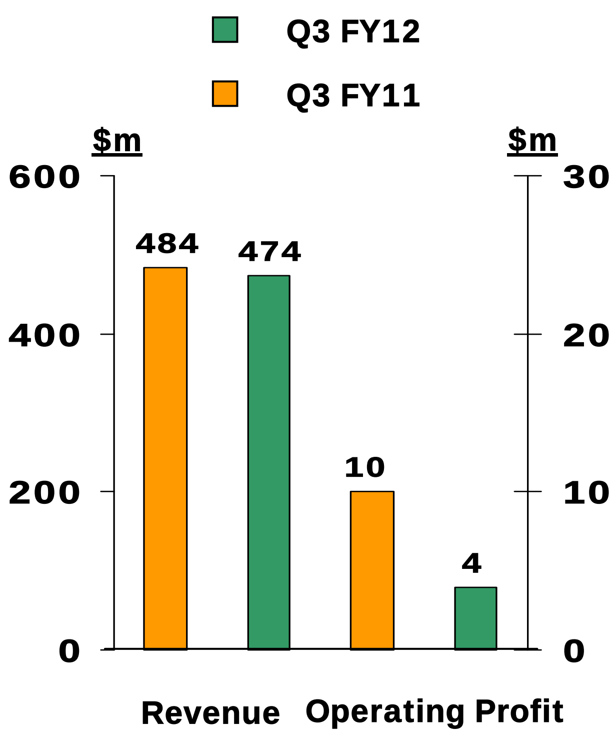


- Increased input costs not recoverable through prices in short term
- Demand volatility causing operational inefficiencies, demand weakened in Q3
- AGR business performing to plan, although demand is reducing

- Operations impacted significantly by earthquake and also floods in Thailand
- Results recovering well as operations become better loaded

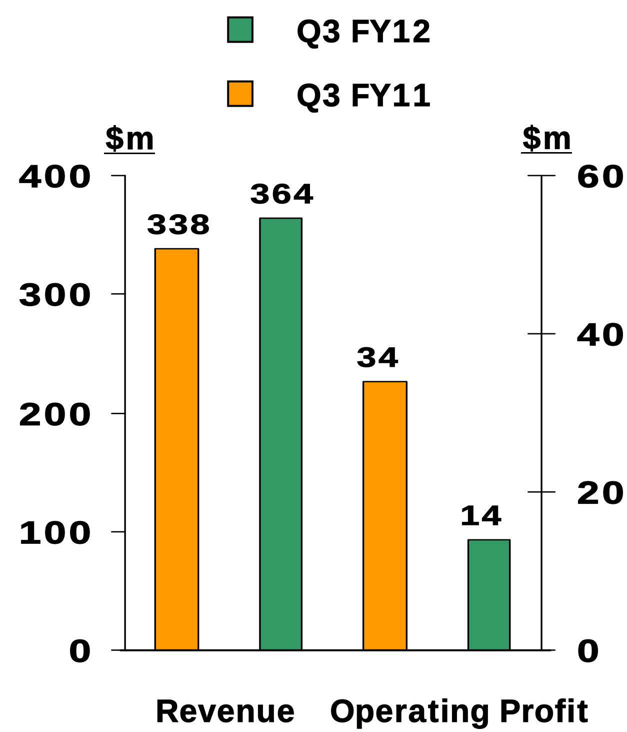
Automotive
Q3 FY12 v Q3 FY11

North America



- Increased input costs not recoverable through prices in short term
- AGR results continue to improve, although Q3 demand is weakening

Rest of World*

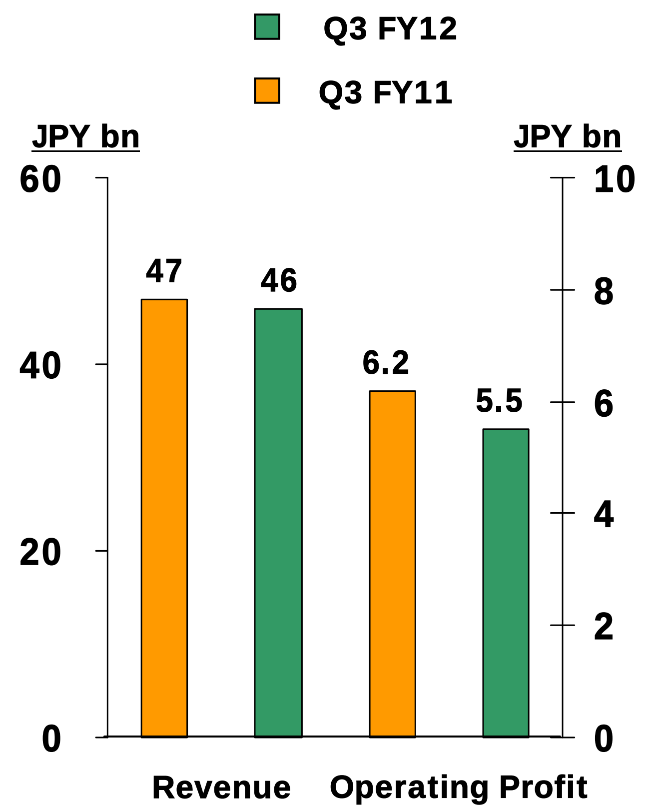


- Revenues increased, but significant short term reduction in South America in Q3 hitting profitability
- Recovering demand in South East Asia and China following earthquake and floods
- Profits impacted by start–up costs of new investment

*:Rest of world includes Brazil, Argentina, Malaysia and China

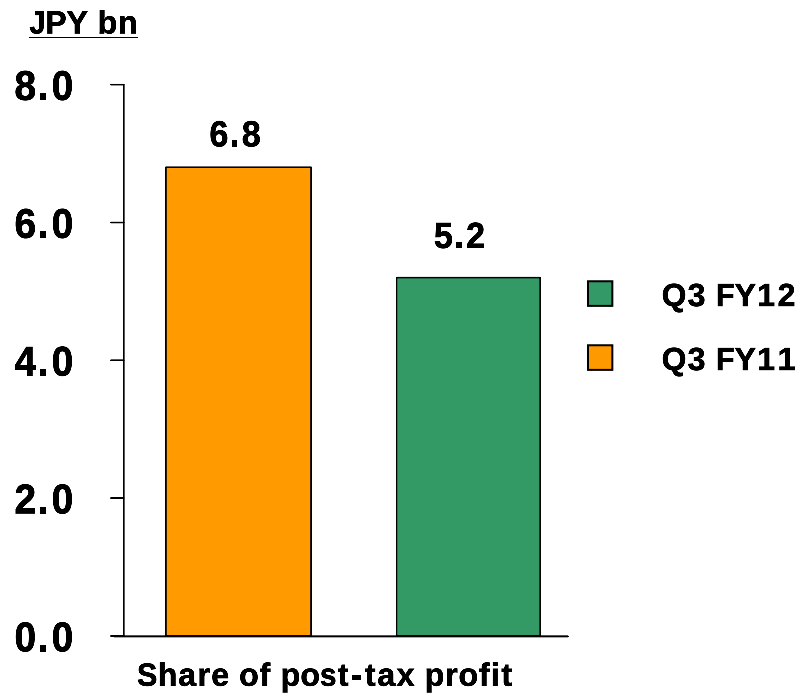
Specialty Glass
Q3 FY12 v Q3 FY11

- LCD demand for mobile devices robust, although reduction in Q3
- The strong Yen continues to affect demand in the printer/scanner market
- Revenue of glass cord weakening, in line with the European automotive business



Joint Ventures and Associates

- Profitability improving from JV in Russia
- Profits fell slightly at Cebrace
- Profits reduced in China



Results affected by weakened demand

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FY2012 Income Statement Forecast
Full-year forecast

(JPY bn)	Actuals FY2011	Revised Forecast FY2012	Previous Forecast FY2012
Revenue	577	560	580
Operating profit before amortization*	30	11	32
Operating profit	23	4	25
Profit before taxation	15	(5)	16
Profit for the period	15	(2)	15
Profit attributable to owners of the parent	12	(3)	14

* Amortization arising from the acquisition of Pilkington plc only

Forecast revised, reflecting globally challenging markets

FY2012 Income Statement Forecast
Full-year forecast

- Higher input costs not being offset by price increases
- Forecast impacted by general market weakness, particularly in Europe
- Solar Energy volumes significantly below previous expectations
- ¥ 3bn exceptional charges, being first stages of actions announced today, are included in current year forecast

Actions to improve profitability

- Program of actions announced today to improve profitability

  - Rationalization of capacity
  - Targeted reduction of 3,500 people in global headcount, a significant part of which will come from overheads - management and staff
  - Review of investment plans, containing capital investment to the level of depreciation for the next two years

- Keiji Yoshikawa (Representative Executive Officer and Executive Vice President of the Company) will assume overall responsibility for managing the program

- The total cash investment in the restructuring will be ¥ 25bn with an expected recurring annual cash benefit of ¥ 20bn

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Notice

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Europe, Japan, the U.S. and Asia), product supply/demand shifts, and currency exchange fluctuations.

Nippon Sheet Glass Co., Ltd.

Appendices

Revenue by Business
Q3 FY2012

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	63.3	79.8	17.2	26.5	186.8
Automotive	32.7	88.0	37.6	28.9	187.2
Specialty	25.1	4.9	0.6	15.1	45.7
Others	0.9	0.2	0.0	0.0	1.1
Total	122.0	172.9	55.4	70.5	420.8

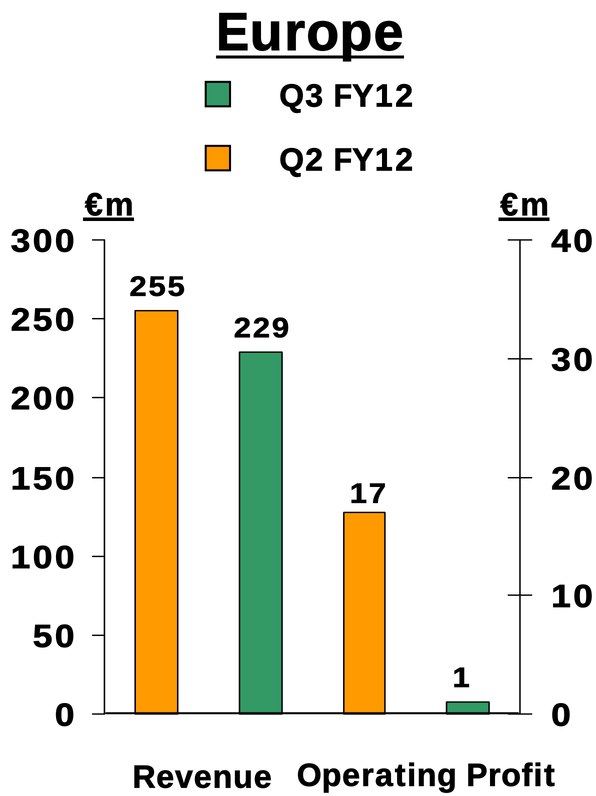
Operating Profit before Amortization
Q3 FY2012

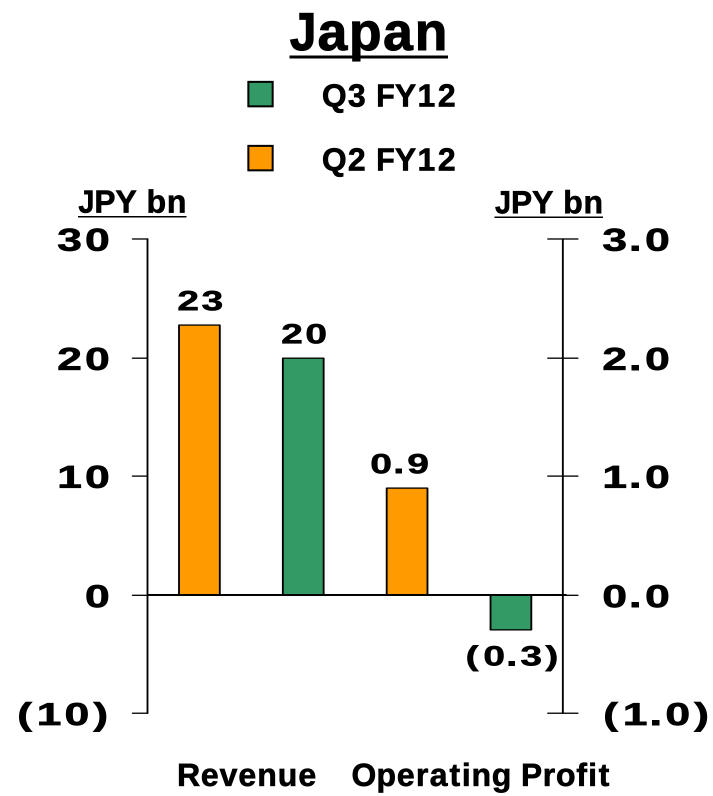
(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	1.6	3.1	3.1	1.0	8.8	5%
Automotive	0.9	0.9	0.3	1.1	3.2	2%
Specialty	4.3	0.4	0.1	0.7	5.5	12%
Others	(2.7)	(2.6)	(0.2)	0.0	(5.5)	
Total	4.1	1.8	3.3	2.8	12.0	3%
Ratio on Sales	3%	1%	6%	4%	3%	

Operating Profit after Amortization
Q3 FY2012

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	1.6	3.1	3.1	1.0	8.8	5%
Automotive	0.9	0.9	0.3	1.1	3.2	2%
Specialty	4.3	0.4	0.1	0.7	5.5	12%
Others	(2.7)	(6.2)	(1.2)	(0.9)	(11.0)	
Total	4.1	(1.8)	2.3	1.9	6.5	2%
Ratio on Sales	3%	-1%	4%	3%	2%	

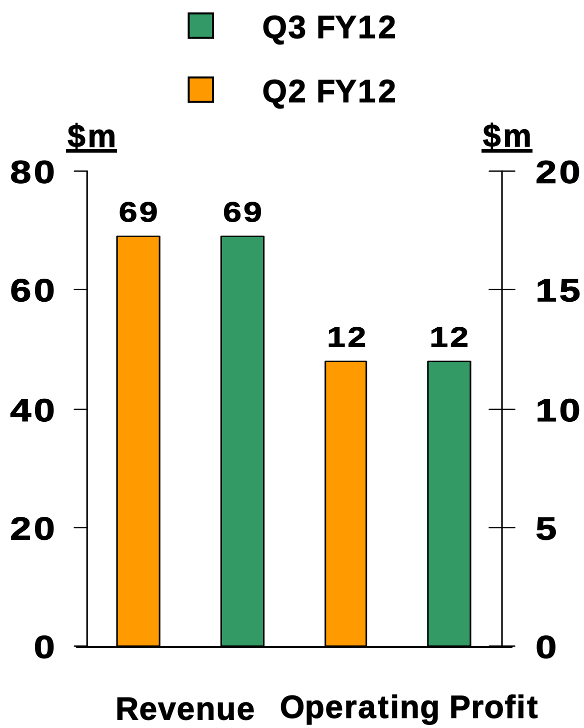
Building Products
Q3 FY12 v Q2 FY12



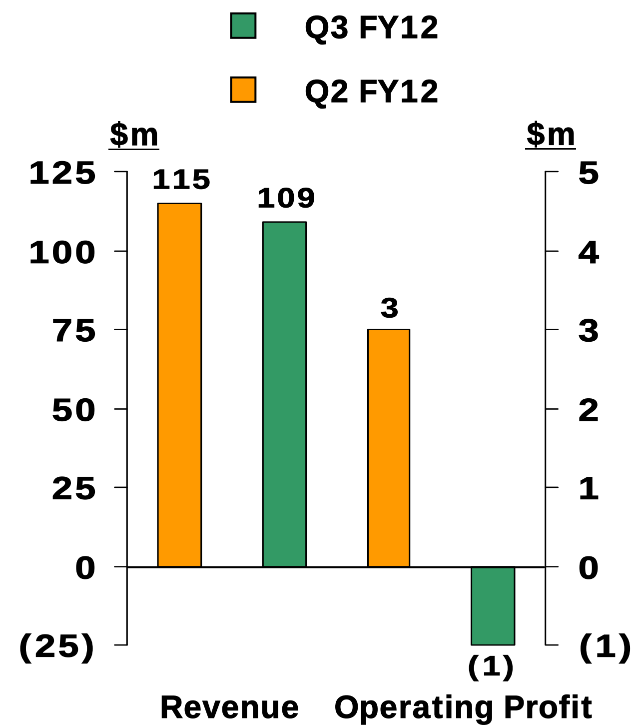


Building Products
Q3 FY12 v Q2 FY12

North America



Rest of World*



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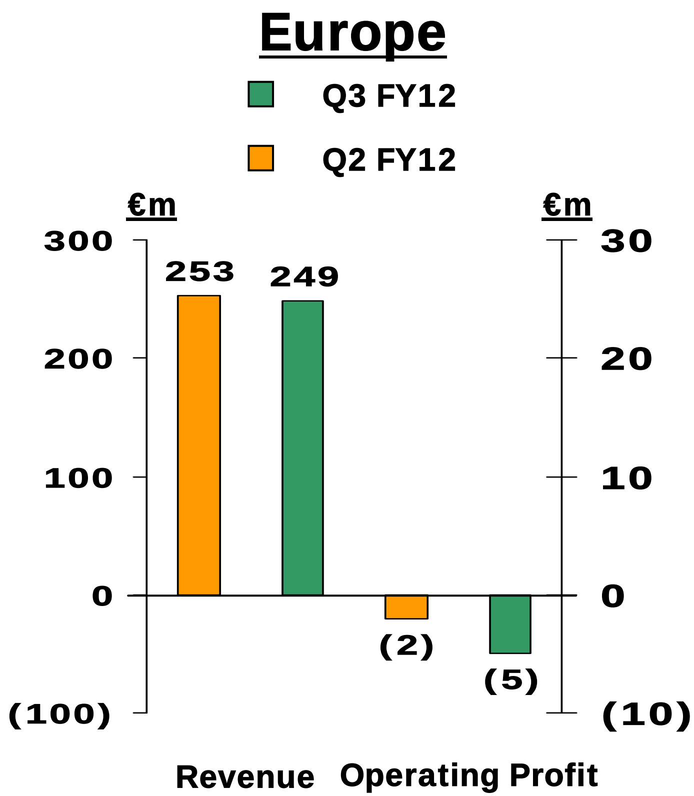
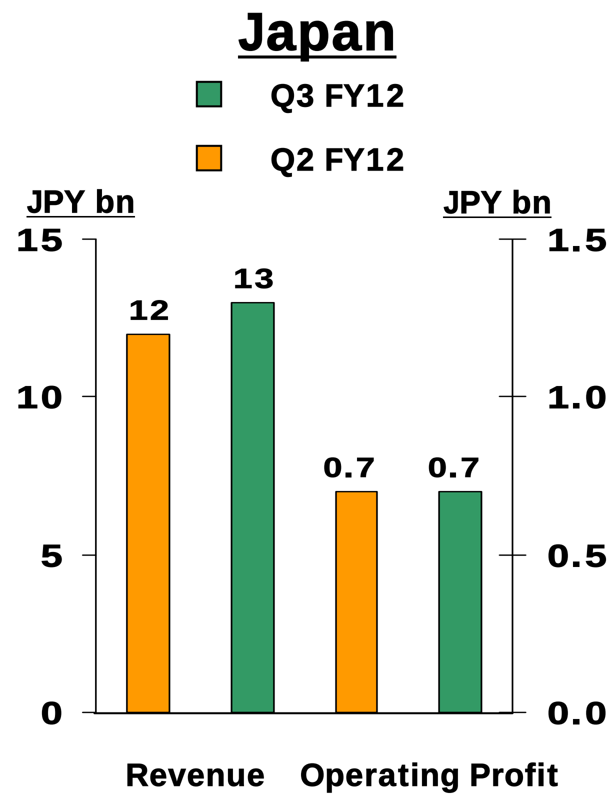
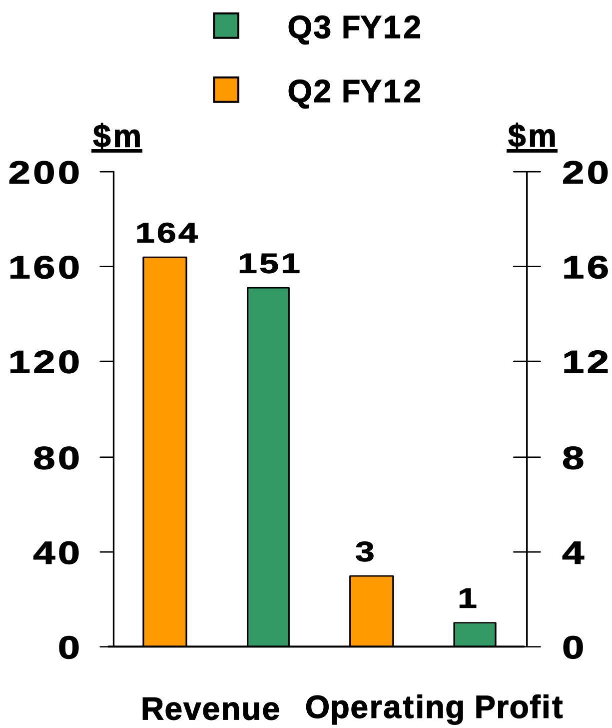
Automotive
Q3 FY12 v Q2 FY12



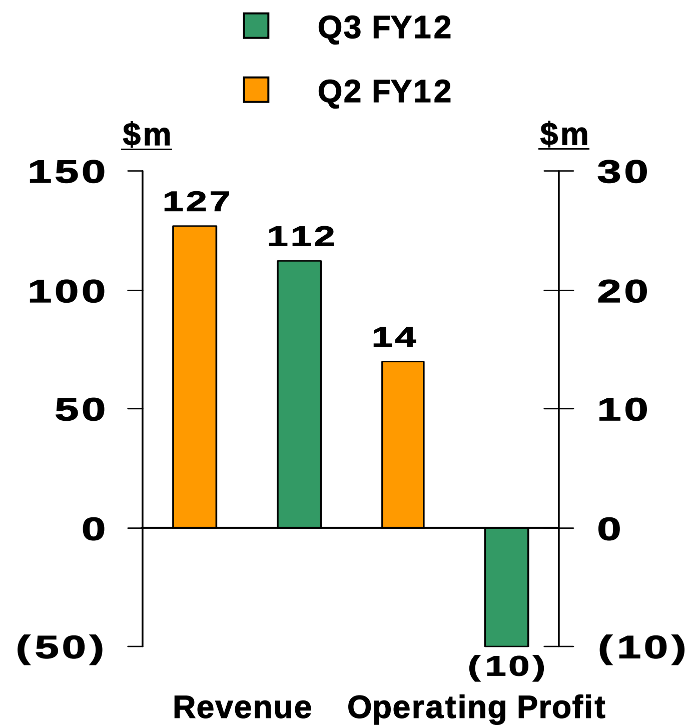


Automotive
Q3 FY12 v Q2 FY12

North America



Rest of World*



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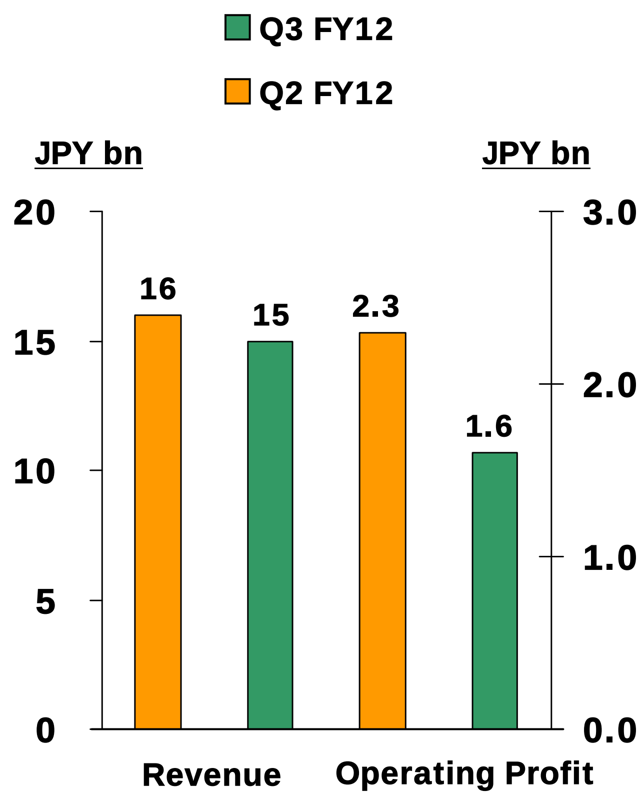
Specialty Glass
Q3 FY12 v Q2 FY12



Assumptions

	Q3 FY12	Q3 FY11	FY12 Forecast
Average rates used:			
JPY/GBP	127	134	125
JPY/EUR	110	114	108
JPY/USD	79	87	78
Closing rates used:			
JPY/GBP	119	128	
JPY/EUR	99	108	
JPY/USD	76	83	

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